

**Financial Consumer Agency
of Canada**

**Financial Education
Made Easy**

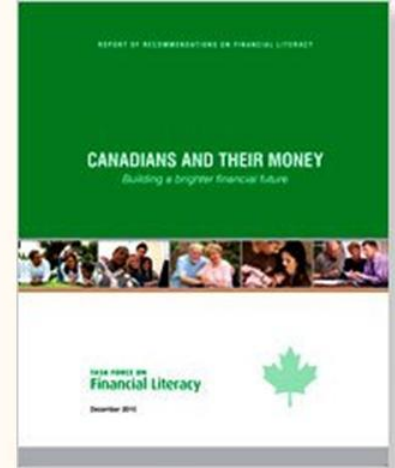
A presentation by Jeff Balch



Financial Literacy

...having the knowledge to understand personal and broader financial matters, skills to apply that knowledge and understanding to everyday life, and the confidence to use the skills and knowledge to make responsible financial decisions that are appropriate to the individual's situation.

- National Task Force on Financial Literacy, 2009



LFP MAY 8 2013

Boomeranging back



Boomers risk straining finances to support boomerang kids
New research from TD Canada Trust shows the majority of Boomer parents have financially supported their adult children in some capacity – to the point of suffering financially themselves.

Young adults facing high unemployment rates

+ Increasing post-secondary education costs

+ High property prices

= Young people relying financially on their parents well into adulthood.

43%
Have let them live at home rent-free

29%
Have subsidized big purchases like a new car or computer

23%
Have contributed to monthly bills like groceries and rent

20%
Have helped pay off their credit card or other debt

19%
of Boomers say they would consider putting their own security and financial future at risk to help support their adult children.

A parent with a natural inclination to help out children financially

+ Mortgage payments

+ The need to save for retirement

+ Elder care

= Serious strain on finances

What parents need to do to avoid financial stress

Have open and honest conversations
If grown children move back home, make sure they know what they will be responsible for – and stick to it. If your finances are being strained, let them know.
Don't be afraid to say no to your kids.

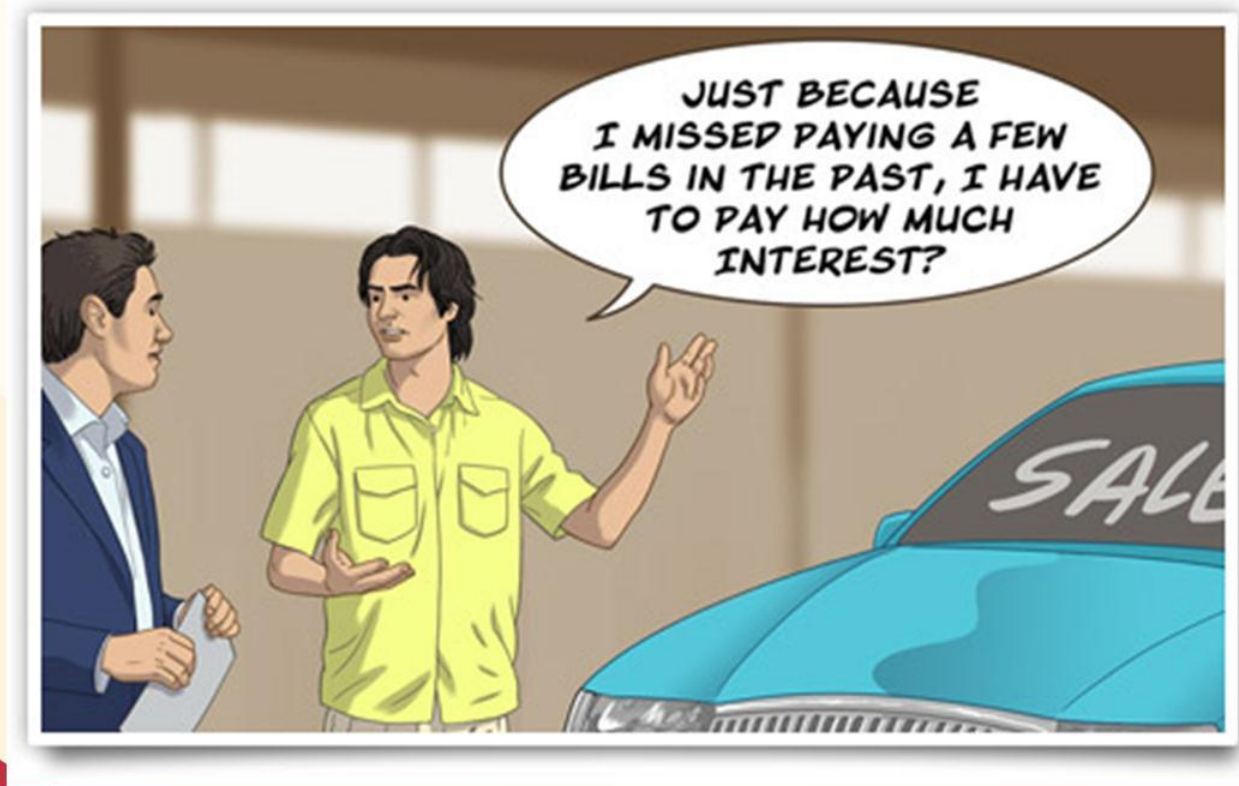
Pay yourself first
Take care of your finances first – retirement savings, your bills, etc.
Set up a regular pre-authorized transfer of a set amount into a TFSA will help you save more for yourself and give you less to hand away.

Be a role model
Teaching your children about money from a very young age can help prevent a cycle of dependency.
Don't just give out financial aid, give them financial coaching with it.

Why Financial Literacy in Schools?

- Average debt load for post-secondary is approx. \$26,000
- A BMO survey suggests the paying for the school is the number one stress
- Stats Canada records that the national student debt load is now over 15 billion

Why Financial Literacy in Schools?



Why Financial Literacy in Schools?

- Teens think they'll earn \$90,000 a year by age 30
 - <http://bit.ly/13nNI4Z>

Why Financial Literacy in Schools?



Why Financial Literacy in Schools?

- 2 million Canadians use payday loan stores and they borrow 2 billion annually

Fees and Charges

Each FAST CASH ADVANCE is subject to a fee of \$21 per \$100 borrowed. For a \$100 loan, a payment of \$121 will be due at the end of the loan term.

Annual Percentage Rate = 521.17%

Why Financial Literacy in Schools?



Why Financial Literacy?

- research, conducted by Ipsos Reid found that money is one of the least discussed issues between parents and kids.
 - <http://bit.ly/10ddSF8>

"Ontario students will have the skills and knowledge to take responsibility for managing their personal financial well-being with confidence, competence, and a compassionate awareness of the world around them."

A Sound Investment: Financial Literacy Education in Ontario Schools, 2010

Resource Guide

The Ontario Curriculum
Grades 9-12

Financial Literacy

Scope and Sequence
of Expectations

2011

reach every student

Ontario

How do we do Give them the Skills?

- Where do you start?

It's About Changing the Lens



... let me show you how

Products and Programs

- For youth: ***The City***
- For young adults: ***Financial Basics***
- For adults: ***Your Financial Toolkit***

 Accessible via FCAC's Educational Programs Web page

Educational Programs

The City

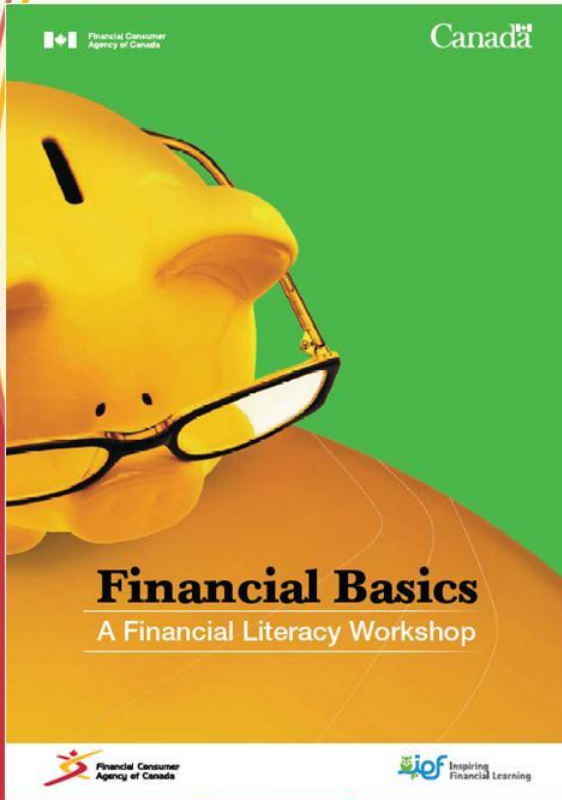
Financial Basics

Your Financial Toolkit

For Educators and Facilitators

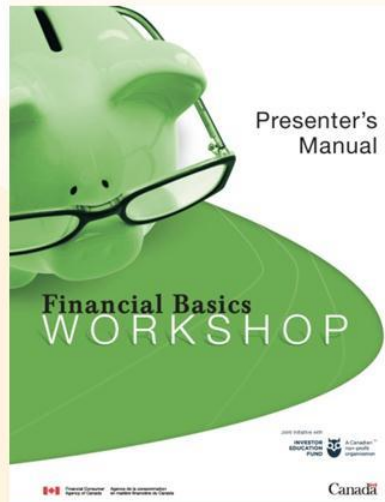
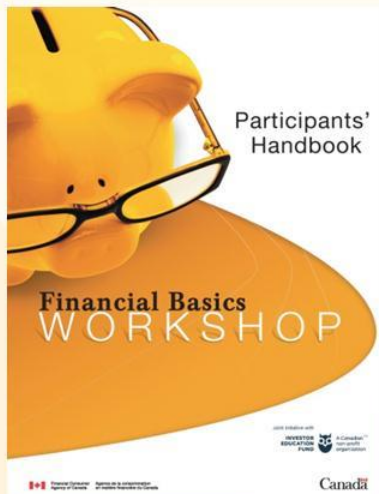
Evaluate our programs

Financial Basics Workshops



- **Target Audience:** Young adults and facilitators
- **Might also interest:** Post-secondary institutions, community groups, workplaces
- **Recommended for:** Workshops and in-person learning
- **Topics covered:** budgeting, saving, credit, investing, fraud prevention and financial planning
- Developed with the Investor Education Fund (IEF) and Ellen Roseman, author and financial journalist

Financial Basics: Materials



Workshop materials

- **FREE** workshop materials include:
 - Presenter's Manual
 - Participants' Handbooks
 - Presentation Slides
 - Workshop Evaluation Forms
 - Promotional Artwork
- Available in English and French
- Available in the following formats:
 - Printed hard copy
 - Online for download (HTML and PDF formats)
 - On a CD (PDF format)



Agenda

- Introduction and quick quiz
- Benefits of financial literacy
- Budgeting
- Break
- Managing your expenses
- Credit and debt management
- Lunch
- Saving and investing
- Break
- Financial planning
- Protecting yourself
- Summary and wrap-up



**What you
will learn
today**

- How to manage your spending and prepare a realistic budget
- Ways to save
- How to pay off debt
- How to invest to make your money work for you
- How to plan to reach your own financial goal



The average current percentage of their income that Canadians save is:

- a) 5%
- b) 7.5%
- c) 10%



The Cost of Banking Guide

The screenshot shows a web browser window displaying the Financial Consumer Agency of Canada (FCAC) website. The browser's address bar shows the URL: <http://www.fcac-acfc.gc.ca/eng/consumers/ITools/CoB/default.asp>. The page title is "FCAC - For Consumers - Interactive Tools - Cost of Banking: All you need to know about bank accounts".

The website header includes the FCAC logo, the text "Financial Consumer Agency of Canada" and "Agence de la consommation en matière financière du Canada", and the "Canada" logo. Below the header is a navigation menu with links for "Français", "Home", "Contact Us", "Help", "Search", and "canada.gc.ca".

The main content area is titled "Cost of Banking: All you need to know about bank accounts". It features a sub-header "Banking Package Selector Tool" with a green piggy bank icon and the text "Which chequing account is right for you?". Below this is another sub-header "Savings Account Selector Tool" with a green piggy bank icon and the text "Which savings account is right for you?".

The left sidebar contains a navigation menu with the following items: "About FCAC", "For Consumers" (with sub-links for "Consumer Alerts", "Your Rights and Responsibilities", "Banking and Insurance", "Credit, Loans and Debt", "Interactive Tools", "Frequently Asked Questions", and "Making a Complaint"), "For the Industry", "For the Media", "Publications", and "Proactive Disclosure".

At the bottom of the page, there is a section titled "Our best publications about bank accounts" with a sub-link "For the basics - Our Tip-Sheets" and a bullet point for "Shopping Around for a Personal Bank Account".

Examining the Books

- Presenters Handbook
- Participants Handbook

Your Financial Toolkit

The screenshot shows the homepage of the 'Your Financial Toolkit' website. At the top, there are logos for the Financial Consumer Agency of Canada (FCAC) and the Autorité des marchés financiers (AMF), along with the Canada wordmark. The main heading is 'Your Financial Toolkit', with a sub-heading stating it was developed by the FCAC, IEF, and AMF. A navigation bar includes links for 'Français', 'Home', 'Contact Us', 'Help', 'Search', and 'canada.gc.ca'. Below the navigation, there is a 'Welcome to Your Financial Toolkit' section with a video player showing a play button and a progress bar. To the left of the video is a 'Learning Modules' sidebar with buttons for various topics: Income, Expenses and Budget; Banking; Saving; Credit and Debt Management; Mortgages; Insurance; Investing; Income Taxes; Income Taxes Quebec; Retirement and Pensions; Financial Planning; and Fraud Protection. Below the video is a 'Self-Assessment Tool' button with an arrow icon.

- **Target Audience:** Adults of all age
- **Might also interest:** Community groups, workplaces
- **Recommended for:** Workshops and in-person learning
- **Comprehensive 11 module program,** which includes worksheets, quizzes, calculators, videos, case studies and other resources
- Developed with the Investor Education Fund (IEF) and l'Autorité des marchés financiers (AMF)

Your Financial Toolkit



Welcome to Your Financial Toolkit
About Your Financial Toolkit
Learning Modules
Income, Expenses and Budget
Banking
Saving
Credit and Debt Management
Mortgages
Insurance
Investing
Income Taxes
Income Taxes Quebec
Retirement and Pensions
Financial Planning
Fraud Protection

Topics covered:

- Budgeting
- Banking
- Saving
- Credit and debt management
- Mortgages
- Investments
- Insurance
- Income Taxes
- Pensions
- Retirement planning



Your Financial ToolKit

Developed by the Financial Consumer Agency of Canada,
the Investor Education Fund and l'Autorité des marchés financiers



Banking

AUTORITÉ
DES MARCHÉS
FINANCIERS



INVESTOR
EDUCATION
FUND



A Canadian™
non-profit
organization



Financial Consumer Agency of Canada
Agence de la consommation en matière financière du Canada

Canada



Banking

This module covers:

- The basic services that financial institutions offer
- How to choose the type of banking account you need
- What your rights and responsibilities are when using a financial institution
- How to keep your accounts safe
- What to do if you think someone may be using your account illegally



Basic Banking





Basic Banking

This section covers:

- Basic banking services, such as deposits and card services
- How the deposit insurance system keeps your deposits safe
- How to use banking services for your everyday needs



Examining the website

Products and Programs

Life events on website

- Starting Your First Job
- Moving Out on Your Own
- Living as a Couple
- Having Children
- Owning a Home
- Planning Your Retirement
- Dealing with Debt
- Paying for Post-secondary Education



Products and Programs

Tools to help consumers make informed financial decisions

- Budget Calculator
- Credit Card Selector tool
- Credit Card Payment calculator
- Banking Package Selector tool
- Savings Account Selector tool
- Mortgage Qualifier tool
- Mortgage Calculator tool

CREDIT CARD TOOLS



What is the best way to choose and use a credit card?

MORTGAGE CALCULATORS



Are you shopping around for a mortgage?

BUDGETING TOOL



Do you have a realistic budget?

BANKING TOOLS



Which bank accounts are right for you?

Questions

